Manitoba

Annual Report
1989 - 90

Milk Prices Review Commission

Minister of
Agriculture

Room 165
Legislative Building
Winnipeg, Manitoba, CANADA
R3C 0V8

To His Honour,
George Johnson,
Lieutenant Governor for
the Province of Manitoba

Your Honour:

I have the honour to present herewith the Annual Report of The Manitoba Milk Prices Review Commission for the year ended March 31, 1990.

Yours respectfully,

Glen M. Findlay
Minister

MANITOBA MILK PRICES REVIEW COMMISSION
903 - 401 YORK AVENUE
WINNIPEG. MANITOBA
R3C 0P8

TELEPHONE 945-4935
AREA CODE 204

The Honourable G. Findlay
Minister of Agriculture
Province of Manitoba
R3C 0V8

Dear Sir:

Pursuant to the requirements of Section 7, subsection (1) of The Milk Prices Review Act, it is my pleasure to present to you the Annual Report of the Manitoba Milk Prices Review Commission for the year ended March 31, 1990.

Respectfully submitted,

Daryl F. Kraft
Chairman

DFK/rab

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MEMBERS OF THE

MANITOBA MILK PRICES REVIEW COMMISSION

as at March 31, 1990

Dr. Daryl Kraft	Chairman, Winnipeg
Mr. Omer Van Walleghem	Vice-Chairman, Winnipeg
Ms. Lee Anderson	Member, Winnipeg
Mr. William Cole	Member, Ninette
Mr. John Vis	Member, Oak Bluff

The above-noted Members were appointed to the Commission effective August 17, 1988 by Order-in-Council 984/88.

Mr. Adrian Strutinsky . . . Executive Secretary

INTRODUCTION

The Milk Prices Review Act governs the activities of the Commission. Responsibilities of the Commission under the Act include the development and maintenance of a producer cost of production formula as the basis for fixing prices at all levels in the fluid milk industry, and the authority to establish the producer price for fluid milk and the maximum and/or minimum prices for milk sold to retailers and consumers as deemed necessary.

The Commission in 1989/90 maintained extensive contact with the Manitoba Milk Producers' Marketing Board, Manitoba milk processors and independent distributors, Manitoba retailers, the Canadian Federation of Independent Grocers and the Consumers' Association of Canada, Manitoba Branch. Contacts were established and maintained with similar authorities and agencies in other jurisdictions. Future contact with these and other industry representatives are viewed as vital by the Commission.

PRODUCER MATTERS

1. PRODUCER PRICE CHANGE

The Commission continued to monitor the results of its cost of production formula on a monthly basis. However, due to generally

stable input prices, no Class 1 price change occurred during 1989/90. Similarly, no change occurred in the butterfat differential applicable to fluid milk sales. As of March 31, 1990, the Class 1 price remained at $57.31 per hectolitre (established in December, 1988) with the fluid milk butterfat differential at $0.52 per 0.1 kilogram of butterfat above/below the provincial standard of 3.6 kilograms of butterfat per hectolitre of raw milk.

While no adjustments in the producer price were implemented during the year, the cost of production pricing regulation was modernized and re-filed in November, 1989 (Manitoba Regulation 282/89).

2. PRODUCER COST OF PRODUCTION

During 1989/90, the Commission maintained an ongoing dialogue with the Manitoba Milk Producers' Marketing Board to ensure Manitoba dairy producers continue to receive fair and equitable compensation for all legitimate costs incurred in the production of fluid milk. A cost of production formula review was launched in May, 1989 to be conducted in two stages. The first stage reviewed all indirect, off-farm cost items considered to be legitimate costs of production such as marketing costs and

producer levies. The second stage would review direct, on-farm costs of production.

The first stage of the review was completed by October 1, 1989, with the following items adopted for use in the formula as of that date:

- Producer deductions for Milk Board Operation, Milk Pool Administration and the Fluid Levy (surplus disposal) were retained as were costs associated with Regular Transportation/Diversion of raw product and Lab Testing (component testing). The producer deduction for Market Expansion (promotion) was added to the formula.

- Changes to the current value of the foregoing within the formula is no longer done automatically as had been the updating methodology in the past. Revisions to formula values of same in the future now require representation from the Manitoba Milk Producers' Marketing Board before any changes are considered by the Commission.

- The Northern Allowance (subsidy to producers in The Pas-Swan River area) was temporarily removed from the formula, pending further consideration in the second stage of the formula review process.

- The Buffer/Sleeve factor (an allowance for extra raw product requirements associated with processing fluid milk) was redesigned. The impact of the redesign of this factor was to reduce from ten to approximately six, the percentage of extra raw product which would receive the full fluid milk cost of production.

- No change in the current Class 1 price to producers resulted from the above-noted considerations.

PROCESSOR, JOBBER AND RETAILER MATTERS

1. PRICE POLICY REVIEW

Toward the end of 1988/89, the Commission decided that its general pricing policy should be reviewed with emphasis on the development of a more systematic approach to price adjustments so that industry representation would not be required before each and every price change. In addition, it was deemed in the best interests of the industry, including consumers, that elements of competition and industry responsibility should be introduced into the Commission's future policy.

Two policy discussion papers were prepared and distributed to all sectors of the industry in March, 1989. The first paper described a cost of processing/retailing model to provide the

more systematic approach to price adjustments. The second paper outlined proposed changes to the structure of the control system including the deregulation of minimum wholesale and retail prices.

The discussion papers were discussed with representatives of the province's producers, processors, jobbers, retailers and consumers during two days of meetings held in April, 1989. Written submissions were also received for consideration.

Following extensive dialogue and consultation, the Commission implemented a revised pricing policy on May 1, 1989. Major elements of the revised policy were as follows:

- minimum retail and wholesale prices as well as jobber price controls were discountinued,
- maximum wholesale and retail price and producer price controls were retained,
- 1% milk was added to the list of regulated fluid milk products.

As a result of the new policy, wholesale prices paid to processors by jobbers, retailers and other customers, previously set by regulation, are set by negotiations between the parties involved. Retail prices are set by the province's retailers as long as they do not exceed the maximum price.

The new policy introduced considerable elements of flexibility, competition and direct industry authority into the price determination process. However, the Commission strongly urged the industry to adopt responsible pricing strategies. The industry was cautioned that pricing practices judged detrimental to the industry at large could result in the return of minimum retail and/or wholesale controls.

All future maximum retail and wholesale price adjustments will be generated by a cost of processing/retailing model, which was developed with direct input from the province's processors and retailers. The model, based on 1987 audited financial data, is updated quarterly using appropriate price indices published by Statistics Canada and Labour Canada. The model was based on providing processors with an adequate rate of return to investment and retailers with an adequate retailing margin.

2. WHOLESALE AND RETAIL PRICE ADJUSTMENTS

Corresponding with the implementation of the new milk pricing policy, the Commission also implemented increases in both maximum wholesale and maximum retail prices on May 1, 1989. All price adjustments were generated by the newly developed cost of processing/retailing model.

Manitoba Regulation 109/89 increased maximum wholesale prices on homogenized milk by 4 cents per litre, while 2% white and

chocolate were increased 2 cents per litre. The skim milk maximum wholesale prices, previously established in December, 1988, were not adjusted. The maximum wholesale price for 1% milk, previously uncontrolled, was reduced 1 cent per litre from the then current wholesale list price established by the trade.

Manitoba Regulation 110/89 adjusted maximum retail prices to allow retailers to recoup the wholesale price adjustments and provide for a 2 cent per litre increase in retailer margins. As a result, the retail maximum on homogenized milk was increased 6 cents per litre in total, 2% white and chocolate increased 4 cents per litre while skim milk was increased 2 cents per litre. The maximum retail price for 1% milk, previously uncontrolled, was established at $0.99 per litre.

On July 17, 1989, following the initial update of the cost of processing/retailing model, minor revisions in maximum wholesale and retail prices were implemented. Manitoba Regulation 173/89 increased the one litre maximum wholesale price of 1% milk and 2% chocolate milk by one cent. Homogenized, 2% while and skim milk one litre maximum prices were not adjusted. The maximum wholesale prices for two litre cartons of all controlled products were increased by one cent, while all four litre prices were increased by 2 or 3 cents per unit. Twenty litre prices were increased 11 or 12 cents per unit.

Manitoba Regulation 174/89 increased all maximum retail prices in accordance with the wholesale price adjustments previously

described. If a product's wholesale price was not increased, then neither was its corresponding maximum retail price.

Subsequent cost of processing/retailing model updates generated two additional adjustments in maximum wholesale and maximum retail prices before the end of the 1989/90 fiscal year. Manitoba Regulations 280/89 and 281/89 increased maximum wholesale and maximum retail prices, respectively, by one cent per litre on November 27, 1989. Further processing cost increases as indicated by the model led to another one cent per litre increase by both maximum wholesale and maximum retail prices before fiscal year end. Manitoba Regulations 52/90 (wholesale) and 51/90 (retail) implemented the adjustments effective March 12, 1990.

FUTURE ACTIVITIES

The Commission will continue to closely monitor the effects on the industry of the new milk price policy, with particular reference to industry reaction to the deregulated minimum wholesale and retail controls. Key indicators will be prevailing retail and wholesale pricing strategies, sales of fluid milk provincially, regionally and variations in same experienced by the province's various retail, processing and distributing operations. To date, the industry's reaction and adjustment to the deregulation has been temperate. Reasonable pricing

strategies would appear to have been adopted in both the processing and retailing sectors.

The cost of processing/retailing model will be updated quarterly, as originally designed. Scrutiny of the model's effectiveness, especially in these early stages of usage by the Commission as a price determination mechanism, will be continual with improvements made as deemed necessary and advisable.

Monthly updates of the current producer cost of production formula will be conducted as usual and the Commission will continue with its comprehensive review of the formula. The first stage (marketing costs, etc.) is completed with the second stage (direct on-farm costs) just underway before the end of 1989/90. Work on the review process will be a priority of the Commission's during 1990/91. It is hoped that the majority of the analysis and consideration of all necessary aspects of on-farm production costs can be completed before the end of 1990/91. A major new cost of production data source being considered is the Manitoba Milk Producers' Marketing Board's on-going cost of production on-farm study.

The Commission will continue to respond to all inquiries/ complaints regarding the price of fluid milk at any industry level. The industry will be monitored for developments which may directly or indirectly impact on the Commission's mandate.

INTERNAL MATTERS

The Manitoba Milk Prices Review Commission met eighteen times during the reporting year in the course of performing its duties.

The Commission's daily activities were performed by Adrian W. Strutinsky, serving as Executive Secretary and Jessie R. Mamaril as Bookkeeper. The Commission's staff are provided by the Economics Branch, Manitoba Agriculture.

The Commission retained Mr. Dirk Blevins, Civil Legal Services, Provincial Department of Justice as legal counsel. The firm of Coopers and Lybrand continued to be retained as financial analysts. The audit of Commission finances was performed by the Provincial Auditor's Office.

Manitoba

Office of the Provincial Auditor

Manitoba Milk Prices Review Commission

Auditor's Report and Financial Statements
for the year ended March 31, 1990

Office of
the Provincial Auditor

905 - 386 Broadway
Winnipeg, Manitoba, CANADA
R3C 3R6

REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the balance sheet of the Manitoba Milk Prices Review Commission as at March 31, 1990 and the statement of revenue and expenditure and deficit for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Commission as at March 31, 1990 and the results of its operations for the year then ended in accordance with the accounting policies stated in note 2 to the financial statements applied on a basis consistent with that of the preceding year.

Winnipeg, Manitoba
October 26, 1990

F. H. Jackson, CA,
Provincial Auditor.

MANITOBA MILK PRICES REVIEW COMMISSION

Balance Sheet
as at March 31, 1990
(with 1989 figures for comparison)

	1990	1989
ASSETS		
Current Assets:		
Cash	$ 1,176	$ 67
	$ 1,176	$ 67
LIABILITIES AND DEFICIT		
Current Liabilities:		
Accounts payable and accrued liabilities	$ 3,266	$ 2,935
Deficit	(2,090)	(2,868)
	$ 1,176	$ 67

MANITOBA MILK PRICES REVIEW COMMISSION

Statement of Revenue and Expenditure and Deficit for the year ended March 31, 1990 (with 1989 figures for comparison)

	1990	1989
Revenue:		
Grant from the Government of the Province of Manitoba	$ 28,578	$ 26,869
Interest	40	69
	28,618	26,938
Expenditure:		
Annual report	638	608
Commission - per diem and benefits	7,397	6,089
- travel	5,235	7,597
Office and postage	2,502	4,122
Professional fees	10,772	9,417
Sundry	932	1,581
Telephone	364	660
	27,840	30,074
Revenue over (under) expenditure	778	(3,136)
Unexpended funds (deficit), beginning of the year	(2,868)	268
Deficit, end of the year	$ (2,090)	$ (2,868)

MANITOBA MILK PRICES REVIEW COMMISSION

Notes to Financial Statements
for the year ended March 31, 1990

1. Nature of the Commission

The Manitoba Milk Prices Review Commission was established under the Manitoba Prices Review Act effective September 29, 1980. The Commission's mandate is to monitor prices of fluid milk, to set the price at which milk may be sold by a producer and if necessary, to set maximum and/or minimum prices at which fluid milk may be sold by a distributor, processor or retailer.

2. Accounting Policies

a) The Commission uses the accrual basis of accounting except for office equipment purchases which are charged to operations in the year of acquisition.

b) The financial statements do not reflect services provided by the Government of the Province of Manitoba as described in Note 3.

3. Services Provided by the Government of the Province of Manitoba

The Government of the Province of Manitoba provides staffing and office accommodations to the Commission at no charge. The estimated cost of these services is $84,000 (1989 - $79,000). In addition the Province used budgeted funds to pay administrative costs totalling $3,848 (1989 - $3,845) on behalf of the Commission.

THE MILK PRICES REVIEW ACT
(C.C.S.M. c. M130)

Wholesale Milk Prices Order

Regulation 109/89
Registered April 28, 1989

Definition
1 In this regulation, "Class 1 milk" means fluid milk that is homogenized milk, 2% milk, 1% milk, skim milk or 2% chocolate milk.

Container sizes
2 Unless prior written permission is obtained from the Commission, no manufacturer, processor, jobber or distributor shall sell Class I milk to any person except in a container of one of the following sizes:
(a) 114 millilitre;
(b) 250 millilitre;
(c) 500 millilitre;
(d) 1 litre;
(e) 2 litre;
(f) 4 litre;
(g) 10 litre;
(h) 20 litre.

Areas
3 For the purposes of this order, the following are designated as areas:
(a) the area within the boundaries of the City of Winnipeg, to be called "the Winnipeg area";
(b) the area within the boundaries of the Town of Selkirk, to be called "the Selkirk area";
(c) the area within the boundaries of the Town of Winkler, to be called "the Winkler area";
(d) the area within the boundaries of the City of Brandon, to be called "the Brandon area".

Wholesale prices
4 The maximum prices set out in Schedule A are those at which Class 1 milk shall be sold if
(a) the sale takes place in an area referred to in section 3; and
(b) the sale is made by a manufacturer, processor, jobber or distributor to any purchaser, other than a jobber or a consumer.

Rural transportation differentials
5 Where Class I milk is sold for delivery outside an area referred to in section 3, the prices established under section 4 may be increased by the applicable rural transportation differential as set out in Schedule B.

Repeal
6 Manitoba Regulation 43/88, as amended, is repealed.

Coming into force
7 This regulation comes into force on May 1, 1988.

April 27, 1989

MANITOBA MILK PRICES REVIEW COMMISSION:

Daryl F. Kraft
Chairperson

Adrian W. Strutinsky
Secretary

SCHEDULE A
(Section 4)

MAXIMUM WHOLESALE PRICES FOR SALES TO PURCHASERS OTHER THAN JOBBERS AND CONSUMERS

Container Sizes	250 ml	500 ml	1L	2L	4L	20L
Homogenized milk	.32	.54	.97	1.91	3.80	19.17
2% milk	.31	.52	.92	1.81	3.62	18.22
1% milk	.30	.50	.87	1.72	3.44	17.33
Skim milk	.29	.48	.84	1.65	3.28	16.57
Chocolate milk 2%	.35	.59	1.06	2.10	4.18	21.06

SCHEDULE B
(Section 5)

RURAL TRANSPORTATION DIFFERENTIALS

1 TRANSPORTATION DIFFERENTIALS FOR DISTANCES UP TO AND INCLUDING 200 KILOMETERS FROM DESIGNATED AREAS:

The following differentials may apply with respect to all designated areas referred to in section 3 of the regulation:

Distance from nearest designated area	Differential per litre (Non-Cumulative)
20 kilometers or less	1 cent
over 20 kilometers, up to and including 50 kilometers	3 cents
over 50 kilometers, up to and including 80 kilometers	4 cents
over 80 kilometers, up to and including 110 kilometers	5 cents
over 110 kilometers, up to and including 140 kilometers	6 cents
over 140 kilometers, up to and including 170 kilometers	7 cents
over 170 kilometers, up to and including 200 kilometers	8 cents

2 TRANSPORTATION DIFFERENTIAL FOR DISTANCES EXCEEDING 200 KILOMETERS FROM DESIGNATED AREAS:

(a) Where the nearest designated area is the Winnipeg area or the Selkirk area, the following differential may apply:

Distance from Winnipeg or Selkirk area	Differential per litre
over 200 kilometers, up to and including 230 kilometers	8 cents

(b) Where the nearest designated area is the Brandon area, the following differential may apply:

Distance from Brandon area	Differential per litre
over 200 kilometers, up to and including 350 kilometers	8 cents

THE MILK PRICES REVIEW ACT
(C.C.S.M. c. M130)

Retail Milk Prices Order

Regulation 110/89
Registered April 28, 1989

Definition
1 In this regulation, "Class 1 milk" means fluid milk that is homogenized milk, 2% milk, 1% milk, skim milk or 2% chocolate.

Container size
2 Unless prior written permission is obtained from the Commission, no retailer, manufacturer, processor or jobber shall sell Class I milk to a consumer except in a container of one of the following sizes:
(a) 250 millilitre;
(b) 500 millilitre;
(c) 1 litre;
(d) 2 litre; or
(e) 4 litre.

Areas
3 For the purposes of this order, the following are designated as areas:
(a) the area within the boundaries of the City of Winnipeg, to be called "the Winnipeg area";
(b) the area within the boundaries of the Town of Selkirk, to be called "the Selkirk area";
(c) the area within the boundaries of the Town of Winkler, to be called "the Winkler area";
(d) the area within the boundaries of the City of Brandon, to be called "the Brandon area".

Maximum prices
4(1) Except as provided in subsection (2), the maximum prices at which Class I milk shall be sold by a retailer, manufacturer, processor or jobber to a consumer in any area referred to in section 3 are those set out in Schedule A.

4(2) The maximum prices set out in Schedule A do not apply to milk sold to a consumer by home delivery.

Rural transportation differentials
5 Where Class I milk is sold for delivery outside an area referred to in section 3, the prices established under section 4 shall be increased by the applicable rural transportation differential as set out in Schedule B.

Repeal
6 Manitoba Regulation 44/88, as amended, is repealed.

Coming into force
7 This regulation comes into force on May 1, 1989.

April 27, 1989

MANITOBA MILK PRICES REVIEW COMMISSION:

Daryl F. Kraft
Chairperson

Adrian W. Strutinsky
Secretary

SCHEDULE A
(Section 4)

MAXIMUM RETAIL PRICES FOR CLASS I MILK

Container Size	250 ml	500 ml	1L	2L	4L
Homogenized milk	.35	.60	1.09	2.15	4.28
2% milk	.34	.58	1.04	2.05	4.10
1% milk	.33	.56	.99	1.96	3.92
Skim milk	.32	.54	.96	1.89	3.76
Chocolate milk 2%	.38	.65	1.18	2.34	4.66

SCHEDULE B
(Section 5)

RURAL TRANSPORTATION DIFFERENTIALS

1 TRANSPORTATION DIFFERENTIALS FOR DISTANCES UP TO AND INCLUDING 200 KILOMETERS FROM DESIGNATED AREAS:

The following differentials apply with respect to designated areas referred to in section 5 of the regulation:

Distance from nearest area	Differential per litre (Non-Cumulative)
20 kilometers or less	1 cent
over 20 kilometers, up to and including 50 kilometers	3 cents
over 50 kilometers, up to and including 80 kilometers	4 cents
over 80 kilometers, up to and including 110 kilometers	5 cents
over 110 kilometers, up to and including 140 kilometers	6 cents
over 140 kilometers, up to and including 170 kilometers	7 cents
over 170 kilometers, up to and including 200 kilometers	8 cents

2 TRANSPORTATION DIFFERENTIAL FOR DISTANCES EXCEEDING 200 KILOMETERS FROM DESIGNATED AREAS:

(a) Where the nearest designated area is the Winnipeg area or the Selkirk area, the following differential applies:

Distance from Winnipeg or Selkirk area	Differential per litre
over 200 kilometers, up to and including 230 kilometers	8 cents

(b) Where the nearest designated area is the Brandon area, the following differential applies:

Distance from Brandon area	Differential per litre
over 200 kilometers, up to and including 350 kilometers	8 cents

THE MILK PRICES REVIEW ACT
(C.C.S.M. c. M130)

Wholesale Milk Prices Order, amendment

Regulation 173/89
Registered July 14, 1989

Manitoba Regulation 109/89 amended
1 The Wholesale Milk Prices Order, Manitoba Regulation 109/89, is amended by this order.

Schedule A repealed and substituted
2 Schedule A is repealed and the Schedule set out in Schedule A to this order is substituted.

Coming into force
3 This order comes into force on July 17, 1989.

July 12, 1989

MANITOBA MILK PRICES REVIEW COMMISSION:

Omer Van Walleghem
Vice-Chairperson

Adrian W. Strutinsky
Secretary

SCHEDULE A
(Section 4)

MAXIMUM WHOLESALE PRICES FOR SALES TO PURCHASERS OTHER THAN JOBBERS AND CONSUMERS

Container Sizes	250 ml	500 ml	1L	2L	4L	20L
Homogenized milk	.32	.55	.97	1.92	3.83	19.28
2% milk	.31	.52	.92	1.82	3.64	18.34
1% milk	.30	.50	.88	1.73	3.46	17.45
Skim milk	.29	.48	.84	1.66	3.31	16.68
Chocolate milk 2%	.35	.59	1.07	2.11	4.21	21.17

THE MILK PRICES REVIEW ACT
(C.C.S.M. c. M130)

Retail Milk Prices Order, amendment

Regulation 174/89
Registered July 14, 1989

Manitoba Regulation 110/89 amended
1 The Retail Milk Prices Order, Manitoba Regulation 110/89, is amended by this order.

Schedule A repealed and substituted
2 Schedule A is repealed and the Schedule set out in Schedule A to this order is substituted.

Coming into force
3 This order comes into force on July 17, 1989.

July 12, 1989

MANITOBA MILK PRICES REVIEW COMMISSION:

Omer Van Walleghem
Vice-Chairperson

Adrian W. Strutinsky
Secretary

SCHEDULE A
(Section 4)

MAXIMUM RETAIL PRICES FOR CLASS I MILK

Container Sizes	250 ml	500 ml	1L	2L	4L
Homogenized milk	.35	.61	1.09	2.16	4.31
2% milk	.34	.58	1.04	2.06	4.12
1% milk	.33	.56	1.00	1.97	3.94
Skim milk	.32	.54	.96	1.90	3.79
Chocolate milk 2%	.38	.65	1.19	2.35	4.69

THE MILK PRICES REVIEW ACT
(C.C.S.M. c. M130)

Wholesale Milk Prices Order, amendment

Regulation 280/89
Registered November 22, 1989

Manitoba Regulation 109/89 amended
1 The Wholesale Milk Prices Order, Manitoba Regulation 109/89, is amended by this order.

Schedule A repealed and substituted
2 Schedule A is repealed and the Schedule set out in Schedule A to this order is substituted.

Coming into force
3 This order comes into force on November 27, 1989.

November 21, 989

MANITOBA MILK PRICES REVIEW COMMISSION:

Omer Van Walleghem
Vice-Chairperson

Adrian W. Strutinsky
Secretary

SCHEDULE A
(Section 4)

MAXIMUM WHOLESALE PRICES FOR SALES TO PURCHASERS OTHER THAN JOBBERS AND CONSUMERS

Container Sizes	250 ml	500 ml	1L	2L	4L	20L
Homogenized milk	.33	.55	.98	1.94	3.86	19.60
2% milk	.31	.53	.93	1.84	3.66	18.60
1% milk	.30	.51	.89	1.76	3.50	17.80
Skim milk	.29	.49	.85	1.68	3.34	17.00
Chocolate milk 2%	.35	.60	1.08	2.14	4.26	21.60

THE MILK PRICES REVIEW ACT
(C.C.S.M. c. M130)

Retail Milk Prices Order, amendment

Regulation 281/89
Registered November 22, 1989

Manitoba Regulation 110/89 amended
1 The Retail Milk Prices Order, Manitoba Regulation 110/89, is amended by this order.

Schedule A repealed and substituted
2 Schedule A is repealed and the Schedule set out in Schedule A to this order is substituted.

Coming into force
3 This order comes into force on November 27, 1989.

November 21, 1989

MANITOBA MILK PRICES REVIEW COMMISSION:

Omer Van Walleghem
Vice-Chairperson

Adrian W. Strutinsky
Secretary

SCHEDULE A
(Section 4)

MAXIMUM RETAIL PRICES FOR CLASS I MILK

Container Sizes	250 ml	500 ml	1L	2L	4L
Homogenized milk	.36	.61	1.10	2.18	4.34
2% milk	.34	.59	1.05	2.08	4.14
1% milk	.33	.57	1.01	2.00	3.98
Skim milk	.32	.55	.97	1.92	3.82
Chocolate milk 2%	.38	.66	1.20	2.38	4.74

THE MILK PRICES REVIEW ACT
(C.C.S.M. c. M130)

Milk Cost of Production Order

Regulation 282/89
Registered November 22, 1989

Formula for cost of production
1 The cost of production formula set out in Schedule A is the cost of production formula established pursuant to subsection 3(2) of the Act.

Price of fluid milk sold by producer
2(1) Pursuant to subsections 3(3) and (4) of the Act, the price at which milk may be sold by a producer or the producer board for use as fluid milk for 1 hectolitre of milk testing 3.6 kilograms butterfat, f.o.b. the processor's plant, is $57.31.

2(2) The price set out in subsection (1) shall be increased or decreased at the rate of 52 cents for each one-tenth of a kilogram above or below the test of 3.6 kilograms of butterfat per hectolitre of milk.

Repeal
3 Manitoba Regulation 26/84, as amended by Manitoba Regulations 33/85, 45/85, 286/86, 279/88 and 510/88 is repealed.

November 21, 1989

MANITOBA MILK PRICES REVIEW COMMISSION:

Omer Van Walleghem
Vice-Chairperson

Adrian W. Strutinsky
Secretary

SCHEDULE A

Cost of Production Formula

September 1988, costs per hectolitre

Operating Expenses	$ 7.46
Feed and Bedding	17.65
Direct Labour	11.45
Management Fee	4.58
Relief Milker Allowance	.56
Herd Replacement	2.64
Depreciation	4.01
Return on Assets	5.24
	$53.59

Step 1 - cost of production formula results
$53.59

Step 2 - add transportation and other marketing costs
$53.59 + $2.41 = $56.00

Step 3 - add buffer (or 10% sleeve) adjustment
$56.00 + $ .87 = $56.87

Step 4 - add differential for northern cost of production
$56.87 + $ .07 = $56.94

Step 5 - add fluid levy
$56.94 + $ .30 = $57.24

Step 6 - add component testing costs
$57.24 + $ .07 = $57.31

THE MILK PRICES REVIEW ACT
(C.C.S.M. c. M130)

Retail Milk Prices Order, amendment

Regulation 51/90
Registered February 28, 1990

Manitoba Regulation 110/89 amended
1 The Retail Milk Prices Order, Manitoba Regulation 110/89, is amended by this order.

Schedule A repealed and substituted
2 Schedule A is repealed and the Schedule set out in Schedule A to this order is substituted.

Coming into force
3 This order comes into force on March 12, 1990.

February 28, 1990

MANITOBA MILK PRICES REVIEW COMMISSION:

Omer Van Walleghem
Vice-Chairperson

Adrian W. Strutinsky
Secretary

SCHEDULE A
(Section 4)

MAXIMUM RETAIL PRICES FOR CLASS I MILK

Container Sizes	250 ml	500 ml	1L	2L	4L
Homogenized milk	.38	.62	1.11	2.20	4.38
2% milk	.37	.59	1.06	2.10	4.18
1% milk	.36	.57	1.02	2.02	4.02
Skim milk	.35	.55	.98	1.94	3.86
Chocolate milk 2%	.40	.66	1.21	2.40	4.78

THE MILK PRICES REVIEW ACT
(C.C.S.M. c. M130)

Wholesale Milk Prices Order, amendment

Regulation 52/90
Registered February 28, 1990

Manitoba Regulation 109/89 amended
1 The Wholesale Milk Prices Order, Manitoba Regulation 109/89, is amended by this order.

Schedule A repealed and substituted
2 Schedule A is repealed and the Schedule set out in Schedule A to this order is substituted.

Coming into force
3 This order comes into force on March 12, 1990.

February 28, 1990

MANITOBA MILK PRICES REVIEW COMMISSION:

Omer Van Walleghem
Vice-Chairperson

Adrian W. Strutinsky
Secretary

SCHEDULE A
(Section 4)

MAXIMUM WHOLESALE PRICES FOR SALES TO PURCHASERS OTHER THAN JOBBERS AND CONSUMERS

Container Sizes	250 ml	500 ml	1L	2L	4L	20L
Homogenized milk	.33	.56	.99	1.96	3.90	19.80
2% milk	.32	.53	.94	1.86	3.70	18.80
1% milk	.31	.51	.90	1.78	3.54	18.00
Skim milk	.30	.49	.86	1.70	3.38	17.20
Chocolate milk 2%	.35	.60	1.09	2.16	4.30	21.80